GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:2869
ANSWERED ON:06.08.2015
Port Projects
Roy Prof. Saugata

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government proposes to relax the relevant shipping laws to promote the port projects in the country;
(b) if so, the details thereof;
(c) whether the Government has awarded any Viability Gap funding (VGF) to any port in the country;
(d) if so, the details thereof; and
(e) the criteria adopted for awarding VGF to various ports in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)
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(a)&(b): No, Madam. However, the Government has taken many steps to promote the Port Projects in the Country viz., 100% FDI under the automatic route is available for Port development projects; Bidding documents like RFQ, RFP and Concession Agreement have been standardized; Port Development projects have been accorded infrastructure sector status which makes them eligible for tax benefits as are applicable; In order to expedite investment approval, Ministry of Shipping has been delegated enhanced powers for appraisal/approval of PPP Projects up to Rs. 1000 crores on the lines of the Ministry of Road Transport & Highways; Procedure for Security Clearance for bidder for PPP projects in Ports have been streamlined .
(c)&(d): As per the information provided by the Ministry of Finance, one proposal from Government of Kerala for 'Development of a Non-Major Port at Vizhinjam, Kerala was granted 'in-principle' approval for twenty per cent of the Total Project Cost (Rs. 4,089 crores) as Viability Gap Funding (VGF) from Government of India and another twenty percent VGF from Government of Kerala, under the Government of India's, 'Scheme and Guidelines for Financial Support to Public Private Partnerships in Infrastructure (VGF)'.

(e): The criteria adopted for awarding VGF to various infrastructure projects including Port projects is as per the "Scheme and Guidelines for Financial Support to Public Private Partnerships in Infrastructure (VGF)" formulated by the Ministry of Finance.

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